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DEPARTMENT OF COMMERCE

International Trade Administration

(C-570-966)

Drill Pipe from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review; 2011

AGENCY: Import Administration, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the countervailing duty (CVD) order on drill pipe from the People's Republic of China (PRC). The period of review (POR) is March 3, 2011, through December 31, 2011. We preliminary determine that Shanxi Yida Special Steel Imp. & Exp. Co., Ltd. and its cross-owned affiliates received countervailable subsidies during the POR.

EFFECTIVE DATE: (Insert date of publication in the Federal Register)

FOR FURTHER INFORMATION CONTACT: Kristen Johnson, AD/CVD Operations, Office 8, Import Administration, International Trade Administration, U.S. Department of Commerce, 14<sup>th</sup> Street and Constitution Avenue, NW, Washington, DC 20230; telephone (202) 482-4793.

Scope of the Order

The scope of the order consists of steel drill pipe and steel drill collars, whether or not conforming to American Petroleum Institute (API) or non-API specifications. The merchandise subject to the order is currently classifiable under the Harmonized Tariff Schedule of the United States (HTSUS) categories: 7304.22.0030, 7304.22.0045, 7304.22.0060, 7304.23.3000, 7304.23.6030, 7304.23.6045, 7304.23.6060, 8431.43.8040 and may also enter under 8431.43.8060, 8431.43.4000, 7304.39.0028, 7304.39.0032, 7304.39.0036, 7304.39.0040,

7304.39.0044, 7304.39.0048, 7304.39.0052, 7304.39.0056, 7304.49.0015, 7304.49.0060, 7304.59.8020, 7304.59.8025, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, and 7304.59.8055. Although the HTSUS subheadings are provided for convenience and customs purposes, the written product description, available in *Drill Pipe From the People's Republic of China: Countervailing Duty Order*, 76 FR 11758 (March 3, 2011) (*CVD Order*), remains dispositive.

A full description of the scope of the order is contained in the memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations to Paul Piquado, Assistant Secretary for Import Administration, "Decision Memorandum for Preliminary Results of Countervailing Duty Administrative Review: Drill Pipe from the People's Republic of China" (Preliminary Decision Memorandum), dated currently with this notice, and hereby adopted by this notice.

The Preliminary Decision Memorandum is a public document and is on file electronically via Import Administration's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). IA ACCESS is available to registered users at <http://iaaccess.trade.gov> and in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the internet at <http://www.trade.gov/ia/>. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

#### Methodology

The Department has conducted this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found

countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific. *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

In making these findings, we have relied, in part, on facts available and, because the Government of the PRC did not act to the best of its ability to respond to the Department's requests for information, we have drawn an adverse inference in selecting from among the facts otherwise available. *See* sections 776(a) and (b) of the Act. For further information, see "Use of Facts Otherwise Available and Adverse Inferences" in the Preliminary Determination Memorandum.

For a full description of the methodology underlying the Department's conclusions, *see* Preliminary Decision Memorandum.

#### Preliminary Results of the Review

As a result of this review, we preliminarily determine a net countervailable subsidy rate of 5.23 percent *ad valorem* for Shanxi Yida Special Steel Imp. & Exp. Co., Ltd. and its cross-owned affiliates Shanxi Yida Special Steel Group Co., Ltd. and Shanxi Yida Petroleum Equipment Manufacturing Co., Ltd., for the period March 3, 2011, through December 31, 2011.

#### Disclosure and Public Comment

The Department will disclose to parties to this proceeding the calculations performed in reaching the preliminary results within five days of the date of publication of these preliminary results.<sup>1</sup> Interested parties may submit written arguments (case briefs) within 30 days of publication of the preliminary results and rebuttal comments (rebuttal briefs) within five days

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<sup>1</sup> *See* 19 CFR 351.224(b).

after the time limit for filing the case briefs.<sup>2</sup> Pursuant to 19 CFR 351.309(d)(2), rebuttal briefs must be limited to issues raised in the case briefs. Parties who submit arguments are requested to submit with the argument: (1) statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Interested parties, who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce within 30 days after the date of publication of this notice.<sup>3</sup> Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. If a request for a hearing is made, we will inform parties of the scheduled date for the hearing, which will be held at the U.S. Department of Commerce, 14<sup>th</sup> Street and Constitution Avenue, NW, Washington, DC 20230, at a time and location to be determined.<sup>4</sup> Parties should confirm by telephone the date, time, and location of the hearing.

Parties are reminded that briefs and hearing requests are to be filed electronically using IA ACCESS and that electronically filed documents must be received successfully in their entirety by 5:00PM Eastern Time on the due date.

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act, the Department will issue the final results of this administrative review, including the results of our analysis of the issues raised by parties in their comments, within 120 days after issuance of these preliminary results.

#### Assessment Rates

Upon issuance of the final results, the Department shall determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by

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<sup>2</sup> See 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1).

<sup>3</sup> See 19 CFR 351.310(c).

<sup>4</sup> See 19 CFR 351.310.

this review. We intend to issue instructions to CBP 15 days after publication of the final results of this review.

#### Cash Deposit Instructions

The Department also intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown above. For all non-reviewed firms, we will instruct CBP to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company. These cash deposit requirements, when imposed, shall remain in effect until further notice.

This administrative review and notice are in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213.

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Paul Piquado  
Assistant Secretary  
for Import Administration

April 1, 2013  
Date

## **Appendix I**

List of Topics Discussed in the Preliminary Decision Memorandum:

1. Summary
2. Background
3. Scope of the Order
4. Use of Facts Otherwise Available and Adverse Inferences
5. Subsidy Valuation Information
6. Loan Benchmark Rates
7. Analysis of Programs
8. Conclusion

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